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ADMIRAL TURNER'S ADDRESS TO THE DETROIT ECONOMIC CLUB

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Thank you very much, Joe. Distinguished guests, ladies and gentlemen. I am really very pleased to be here in Detroit, the city so symbolic of the industrial might of our country. I am very grateful that so many of you would take the time to show this interest in the intelligence activities of our country.

Interestingly, one of the trends in those activities today I believe is developing a more symbiotic relationship between the American intelligence organizations and the American business community. That trend is that we are moving more and more in intelligence to the study, the analysis, of international economic activities. It's a marked change in our process of intelligence, but a very important and significant one, and one that I hope will spill over to the benefit of the American business community. If I may look back thirty years to when we first organized a Central Intelligence activity--at that time, the primary product of intelligence was information about Soviet military activity. That was the principal threat to the country; it was the principal concern of all of our intelligence agencies. Look how, in the last thirty years, that has changed; much as I assume as your businesses have changed in their international concern and aspects.

Today, our country is, of course, quite interested, quite involved with so many more countries than just the Soviet Union and its immediate satellites. We have intercourse with most of the 150-some nations of this world. That intercourse is much more in political and economic matters than it is in military. Accordingly, we have had to

begin to shift our focus from just military concerns to much more in these other spheres. Now let me not overstate the case to you. Our primary, our number one intelligence concern must continue to be the military posture of the Soviet Union--that continues to be our number one threat. But on top of that today, we in the intelligence community have had to expand our horizons, have had to expand our capabilities, our areas of technical expertise, into these spheres of international economics, international politics, the prevention of international drug traffic, prevention of international terrorism, and so on. It's an exciting, a new and a demanding challenge to us. It's one that I believe is called for; it is one that I think we are doing an excellent job in. It relates to you in the business world because of another trend in American intelligence today, and that's the trend toward greater openness.

As you would suspect, traditionally, intelligence organizations have operated under maximum secrecy and minimum disclosure. That may have been a good policy in the past, I don't happen to think it's effective or appropriate to the United States today. The American public has a right to know something of what we are doing, and something of what we are producing. They have a right to see something of the return on their investment in our intelligence activities. And so, today, we are out speaking more, we are responding to the media more, we are participating more in academic and other symposiums, conferences, and we are publishing more. Here, I think, is where there is a direct benefit and spillover to the American business community. Today when we develop an estimate, an evaluation, a study on some international aspect of our nation's policies, we carefully look at it and we say, does that label--you know we label it secret, or top secret, or destroy before reading, whatever it may be--we ask ourselves does it really have to have that

label on it. Or, can we take out of it two things: first, information that would reveal how we obtained the data in the study, what was our source. Because if we reveal that, you can well expect that we won't be able to get anything from that source again. Or, secondly, take out of it material that is valuable to our President, to our principal policy makers, because they have an exclusive on it, they know it and other people do not. If we take those things out which would hurt the national interest to publish, is there enough of substance left to be of value to the American public. If there is, we publish it on an unclassified basis. We hope this is going to help the public interest and improve the quality of public debate on important national issues. But we also think sharing it with the business community will be of particular value because many of these will be of more interest to people like yourselves than they will be perhaps to the general public.

Let me cite a few examples of the over 100 unclassified studies we published in 1977. Just a year ago we published one on the prospects for the world energy situation. We were not predicting that the world is going to run out of oil, that there won't be enough reserves to carry us through the rest of this century or further on; we were simply predicting that the slope of the curve of demand for oil and all other forms of energy was rising more steeply in our opinion than could any possible curve of supply of energy, and that sometime in the next eight to ten years, the world as a whole was going to want to consume more energy than it was going to be possible to obtain. Principally because we couldn't get it out of the ground in the form of oil in this time frame--not in the indefinite future, but in the next eight to ten years--as rapidly as we would need to meet this demand. The basic conclusion is, of course, that there may well be an increase or a pressure on the price of energy if

these events do succeed in this way.

Slightly after that, last summer we published another study about the Soviet economic prospects. We said that in our view the Soviets have kept their economy growing for the last several decades by a policy of increasing infusions of labor and capital, and that we believe they're coming to the end of that line. If you look at the Soviet Union's demography today you'll find that in the 1980s, there is no question about it, the rate of growth of their labor force is going to decline. Not the size of the labor force, the rate of growth. There just weren't those babies born in the 1960s, so they cannot continue to infuse increasing quantities of labor. As they look around for more capital to infuse, they're having to reach further and further into places like Siberia, and we happen to think they also are going to have a particular problem with their oil supply. We believe that in the next three or four years, they will peak out for production and decline sharply. Again, this is not a long-term forecast, this is because they have mismanaged the development of their oil, and they are going to reach a point where they'll hit diminishing returns before they can bring vast new quantities that are available to them in reserves onto the production line. Now, they may overcome some of these problems one way or another, they can reduce their emphasis on the military, take manpower off of that; they can do a number of other things, they can stop selling as much oil as they do to the Eastern European countries and so on. But we feel that those will be difficult decisions, we don't know how they will manage them. Some of the solutions would make them go contrary to their basic economic philosophy, and some of those difficult economic decisions may just happen to confront them at a time of important change of their leadership, which appears likely to happen sometime in the next few years. So it may

be a difficult time to take these tough decisions.

You might also be interested that we published a study on international terrorism. I wish I could report in a more sanguine tone to you but the conclusions of this study were not favorable. They saw no prospect for the decline of international terrorism, and they saw over the last few years a marked increase in the number of international terrorist incidents that involved United States citizens or business interests outside this country. A disappointing conclusion, but one that we have to face up to.

We hope that these and other studies that we are publishing will be of value to you as citizens and of value to the American business community, and we're making them available on that basis. At the same time, again, I do not want to overstate the case. We cannot, in any way, disclose all that we study, all that we collect in the way of intelligence. So much of what we do, so much of what we learn, simply must be kept secret in the national interest. But it is my opinion that we are helping to protect those necessary secrets about how we collect information, and about information that is of unique value to our decision makers, by publishing as much as we can in an unclassified form. Perhaps the principal problem we have today with keeping secrets is that we have too many of them. And when you have too many, people do not respect them. So by narrowing the corpus of classified information, I hope to engender greater respect for that which remains and protect it much better.

The lack of respect today is typified, for instance, by the number of people who have decided to take it upon themselves, unilaterally, to release what could well be classified secretive information. They write stories, they write books, they give interviews, they say things that they should not say, often violating contracts with us to be sure

that they don't release information of a classified nature. I think we have come to the point in this country where the public should no longer be quite so willing to welcome these disclosures, which are often made in a guise or in a name of stopping those of us in the government from doing heinous things that we are accused of doing. I think that if we carry this trend to its logical extreme, you have to say that each one of the 215 million Americans in this country is empowered to decide what secrets the country should have and what secrets the country should release. That could be nothing but chaos in the long run. The time has come to put more faith and trust in the elected and public officials and not start, at least, from the presumption they were only out to obscure things and cover up our mistakes.

Now I'm not really going to ask you just to take us on faith or trust because a third trend in American intelligence today protects the citizen of this country in many ways. It's a trend toward greater oversight. When you consider that I've pointed out that we must keep a great many secrets, it's clear that we cannot have full public oversight of our activities. Instead, out of the crucible of three years of intense public criticism of some past abuses in the intelligence world, we have today forged a process of surrogate public oversight of our intelligence mechanisms. Let me describe a couple of those surrogates for you. The first is the President and the Vice President, who today take a very active, intense interest in our intelligence activities. I report to the President weekly and he is well abreast of what we are doing and gives me complete guidance. But on top of that, two years ago we established an Intelligence Oversight Board of three distinguished Americans: former Senator Gore from your near neighboring state of Tennessee, former Governor Scranton of Pennsylvania, and a Mr. Tom Farmer of Washington, D.C.

These three gentlemen report only to the President of the United States. Their only function is to oversee the legality, the propriety of our intelligence activities. Anyone in the intelligence community, any public citizen, may communicate with them and say, look, I think something is going wrong or I think some information ought to be published that isn't being published. They will consider that complaint and report to the President what they think should be done about it. It's a good relief valve. But on top of that, in the Congress we have created two committees--one in the Senate, one in the House of Representatives--also to oversee the intelligence process. These committees do a superb job of that. They have me up there regularly, we're very forthright with them, we keep them well informed. But at the slightest indication of some problem, some question as to what we're doing, they ask us for a report and we come up and explain it. I think that these processes today give much greater assurance than existed in the past that we are not off running things on our own, doing things in the intelligence world that the American public would not support, or that are not in conformance with American foreign policy. I think here are mechanisms to which those people called whistle-blowers have an opportunity to go and I would respect their whistle-blowing much more if they would try the authorized, the established oversight procedures first, before they take it upon themselves to release information that should be kept private.

Out of this oversight process--I want to be honest with you--we are encountering risks. There is the risk that as you tell more and more people about your intelligence process, there will be more and more leaks. There is the risk that as you recognize that you're going to have to tell people about things, you may get timid and not undertake risks that you should take in the interest of our country. We must be careful

that we don't have so much oversight that we have intelligence by timidity and lack of intelligence by virtue of too many leaks. I think we are working out a proper balance between this in protecting the citizens of this country on the one hand, through good oversight, and insuring that our intelligence activities are in consonance with our national objectives and aims, and, on the other hand, preserving enough privacy of the intelligence process that it can go on in an effective manner as is so necessary for our country's security.

As a result of these several trends that I have mentioned to you, which I believe are dramatically reshaping the intelligence process in this country, reshaping it into what I would call an American model of intelligence, a new and unique model of intelligence. Last January the President of the United States directed a modest reorganization of our intelligence activity. He did so by trying to go back in many ways to the original Intelligence Act of 1947, which established a Director of Central Intelligence to coordinate all of the intelligence activities of our nation. I hold this position. It's a separate position from my role as Director of the Central Intelligence Agency. In January the President modestly strengthened the authorities of the Director of Central Intelligence giving him authority over the budgets of all of our national intelligence organizations; giving him authority to do what I call tasking, directing the agencies of intelligence that collect information, to be sure that we are using them to best advantage and we're using them in a teamwork fashion, not helter-skelter, not letting things drop between the cracks, not duplicating and spending additional or unnecessary resources; and finally additional authority to insure that the other half of intelligence, besides collecting information, the half which is analyzing it, studying it, drawing conclusions from it, is also well coordinated. But here I'd

I like to make one point: while I can coordinate the intelligence analysis, I cannot direct people outside the Central Intelligence Agency on how to do that analysis. We want independent views coming forward from the Defense Department, the State Department, the Treasury, and others, because no one is so smart in intelligence as to be able to put all the pieces of the puzzle together exactly right. You need different opinions coming forward so the decision makers will be able to judge what the strength and the weaknesses of an intelligence analysis are.

Finally the President directed something new and important in establishing a committee of the National Security Council which oversees the entire intelligence operation and gives me my marching orders as to what the priorities are by which we should be working. The point being, that I should not establish priorities for us, I am not a consumer of intelligence. This committee is composed of the Secretary of State, the Secretary of Defense, the Secretary of Treasury, the National Security Council Advisors to the President, the people who know what we need and can tell me and give me that overall guidance and direction. I sincerely believe that these new trends that I described to you and a few others I haven't had time for; and these new orders of the President, are strengthening our capabilities in the intelligence field, and I do believe we are the best intelligence service in the world. At the same time they are also strengthening the assurances to this country that we are performing our functions in ways that will protect the rights of the individuals and the values of American society. I assure you that I am dedicated to maintaining us as the number one intelligence service in the world and doing so in ways that will only support and defend our wonderful democratic institutions.

Thank you very much.

Q&A - Detroit Economic Club.

Q: What is the relationship between a free society and undercover intelligence? Related to that, how can we have a dependable intelligence system under present conditions of mass media exposures, political interference and disclosures, and threats of legal action against agents?

A: There is an inherent contradiction between having an open and free democratic society and having to maintain a certain number of secrets in the process of conducting the international affairs of that society--there is no question about it. The world is such today that most of the nations of the world are not blessed by the wonderful openness of our society. We must be able to maintain an intelligence capability to know what's going on in some of those other societies whose actions have such daily and direct import on you and me, our taxes, our national policies and programs. You reconcile the need for secrecy in a democratic society by establishing the checks and counter-checks that I have mentioned to you today, to be sure that on the one hand you can maintain secrets, and on the other hand that no one abuses that privilege. We have to have them, so we have to have enough oversight, enough checks, to be sure that it is not abused. I believe we are keeping that balance today. I believe that what I've asked you for today also is a little understanding, that people who run to the press with things that should not be released, should not necessarily be acclaimed as heroes right off the bat. Some of them are doing it out of great patriotism and motives; some of them are doing it in a self-serving way. But we have now established procedures for them to voice their complaints, to release their information, which gives the people of this country some check, some assurance that it's not being done to the detriment of our national interest. I hope they will use that and that we will all encourage them to use that.

Q: Are you satisfied that you still have the kind of authority and organization that can do a good job of intelligence world-wide?

A: Yes, I definitely am. In part, because of the additions to my authority that the President has recently given me. In part, because in addition to the standard form of collecting intelligence that goes back as far as history--the human intelligence agent, the spy--we have a pre-eminence in the world in what we call technical means of collecting intelligence. These have been burgeoning over recent years and providing us just vastly increasing quantities of data. They have not outmoded the old traditional human intelligence agent, they have in fact extended his importance. Because, from a technical system of collecting intelligence, you generally learn what happened yesterday. Then when I produce that information to a policy maker, he says, but why does that happen and what's going to happen tomorrow. And finding out what people are thinking and what their plans are is the role of the intelligence agent. So today, the challenge to us, and it's an exciting one, is to bring this together in a complementary fashion to ensure that we fill the gaps that can't be filled by human agents, by technical means; then with human agents we fill the gaps that can't be filled with technical means. It's a new form of production line for us and a very, very demanding one.

[At this point the cassette was turned over and the question was lost as well as a portion of the answer]

A:gets us or has got us into the most trouble in the past is what we call political action--interfering in the politics or other activities of foreign nations. This is not an intelligence activity. It is a political action. It has been assigned by this government as an adjunct to the responsibilities of the Central Intelligence Agency ever since it was founded in 1947. It is the most controversial part of our activities; but, in recent years these activities have been placed under very strict control. Before we can interfere in the politics or other activities of any other country, we must today gain approval of the National Security Council, signature of the President of the United States, and I must inform the appropriate committees of Congress of what we are doing. So we have two branches of the government involved in this as a check and a balance and there's just no way, without violating the law, that I can go charging off and direct interference in other countries political activities. And I can assure you I've no desire to go to jail.

Q: What is the internal attitude of the CIA concerning agents such as James Agee and others who have exposed CIA operations upon their leaving the Agency?

A: We are all very disappointed with people who have assumed the responsibilities of working in our intelligence agencies and would be as irresponsible as this when they leave. Mr. Agee has done very severe damage to our intelligence operations. He has taken, for instance, an individual who has worked for us for ten, fifteen, twenty years; worked at great personal sacrifice to himself by being under cover. By that I mean he does not acknowledge, maybe to his family even, that he works for the Central Intelligence Agency. I can assure you that is not done easily and is not done without sacrifice. For instance, this man may have climbed up in our organization and have a position of great responsibility, and have to pretend that he is working for somebody else in a position of much lesser importance and what do his children think of his stature. Why didn't father get promoted; why didn't he advance like others and so on. Yet after all these years of that sacrifice, Agee will publish this man's name in a book and in many ways reduce his usefulness to us; hurt his own career prospects, his ability to serve his country, to progress within the Central Intelligence Agency, because of some irresponsible individual like this. I think it's most unfortunate.

Q: Does, or did the United States have some CIA contraption high in the mountains of Asia and if, in fact, there is a nuclear monitoring device on Indian territory, is such an unauthorized invasion of other countries' sovereignty considered justifiable practice by our intelligence agencies?

A: One of the most difficult things about being in the intelligence business with this combination of openness and secrecy, is that often we can't defend ourselves against false accusations. Because, if I comment on this particular alleged activity, then I'm in a spot if I don't comment on the next one, it just leaves you in a very vulnerable position. So we have to take a policy of never commenting on alleged or actual past or

ongoing intelligence operations. I wish I could do better for you, but Joe pointed out to me at lunch, it's like somebody asking him are you really trying to take over Marshall Field--with a merger or something like that--you know you just can't, in his position either, comment sometimes on that because if you say no to one, then you are in a spot if the next one has a true answer of yes, you can't say no when you need to, to keep things private. So, I'm afraid I can't answer that question, Joe.

Q: What is the CIA's position on the defection of the senior Soviet UN executive?

A: CIA's position is that this is one of the most delicate of diplomatic and political problems and that it is entirely in the hands of the Secretary of State and I'm not going to muck up the waters by commenting on his problems.

Q: Do you have a group of paramilitary people trained to go to the aid of Americans that might be held for ransom abroad by a terrorist group?

A: The answer is no, but the President has directed the Secretary of Defense to establish such a capability and it is in being and will be very effective in due course.

Q: Your opinion of Panama Canal Treaties as they affect our military strength?

A: One of the principles of being an intelligence officer is that you stay absolutely clear of policy. And that's really a very important point because if I ever become associated with a pro-Panama Canal Treaty or an anti-Panama Canal Treaty position, from then on any intelligence I produce on that kind of a subject is suspect. We must scrupulously keep ourselves clear of expressing opinions on policy matters in order to preserve the objectivity which is essential to good intelligence.

Q: Do you agree with the "punishment" given Richard Helms and would you try to suppress the prosecution of CIA agents for illegal activities as recently happened with the former FBI director?

A: The solution of the Helms case was one that worked out very well from my point of view. On the one hand, had he been prosecuted, it would have been necessary both for the prosecution and certainly for the defense to disclose a great quantity of highly classified information. It would not have been fair not to have done so as the prosecution proceeded. It would have hurt our country's interest in many respects. On the other hand, the process through which Mr. Helms went was a poignant reminder to all of us in the government, and particularly in the intelligence world, that none of us stands above the law. The law of the United States of America is the governing factor in all of our activities and we have no license, no excuse for violating it in any respect. Nor do I have any intention of trying to exonerate, or in any way get off the charges of the law, anybody in our organization who violates it. They know that and they have to live up to it.

Q: Is there much possibility that the terrorism plaguing Europe and the Mideast could spread to the United States?

A: There is always that possibility. But I think the country has a good record in high-jacking and terrorism because of the precautions we have taken at our airports and elsewhere; because of the attitude of our people in supporting the law enforcement agencies in that type of activity; and because we, being a free society where dissent can be voiced, don't have the same impetus to this kind of activity. But it is a danger, and it's one to which we all must be continually alert. I would say, if I could, Joe, that we in the intelligence world as I briefly mentioned are spending a great deal of effort in keeping track as best we can through our resources, through out liaison with other friendly intelligence agencies, of international terrorist activities. I am proud to tell you that in a number of instances it has been our information that has thwarted some international terrorist plans that have been maturing--not in this country, but elsewhere. We think that is a valuable service and we intend to continue doing the best we can to help out here.

Q: Pearl Harbor and the Bay of Pigs were tremendous fiascos of the intelligence collecting agencies. Can this happen again?

A: The honest answer is yes. The other answer is that we are doing everything we can to prevent that. We're human, we're fallible, we're trying to ensure, as I brought out in some of my remarks, that differing views on what the trends or likely developments in different world situations are, do come forward. If you suppress the minority view when it is reasonably well reasoned and set forth, you are doing a great disservice and you are inviting the possibility of overlooking some potential problem such as the Bay of Pigs or Pearl Harbor. In short, one of the real challenges in the intelligence world is constantly to question your hypotheses--are you making the same assumption over and over again: the Arabs will never increase the price of oil; the Arabs will never attack Israel; or the Japanese will never attack Pearl Harbor. Whatever the assumption may be that seems so true, you've got to constantly probe an aspect. I can't guarantee you we won't make a mistake again, but I will guarantee we're trying our best to avoid it.

Q: Do you think there are any Soviet agents in the audience reporting on you today?

A: Is there a Soviet Consul General in Detroit? I frequently find a Soviet representative at my talks. I mentioned the 100 and some unclassified publications. Any one of you can write the Library of Congress and subscribe to our annual product of unclassified studies for \$225.00. I would just let you know that the Soviet Union is spending \$450.00 in that department. I just happened to look at the list the other day. But I'm not giving away secrets today. I'm trying to be as open and forthright with you as I can and I'm doing it sincerely in the interest of keeping the American public informed and in that process, generating greater respect for what must be kept secret. I'm working very hard in both directions--openness on the one hand, and tighter secrecy on the other. That which

must remain secret must be kept secret. All that possibly can be made available must be made available. I'm so grateful to you for being here and wanting to hear about this today. It's your support that will determine the future of our intelligence activities in this country. I sincerely believe they are more important to our country today in an era of near military parity; in an era of political and economic interdependence with so many other countries of the world than they ever have been before when we had great superiority in all these fields. You need the leverage of good information in order to make right decisions and we need your support in that activity.

Thank you.